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# BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Modification of Mail Classification Schedule for Country Price Lists for International Mail

Docket No. MC2016-172

PUBLIC REPRESENTATIVE COMMENTS ON MINOR CLASSIFICATION CHANGE NOTICE

(August 4, 2016)

### I. INTRODUCTION

On July 27, 2016, the Postal Service filed a notice of minor classification change under 39 C.F.R. § 3020.90.<sup>1</sup> It proposes to change the Country Price Lists for International Mail in Part D of the Mail Classification Schedule (MCS). Notice at 1. Specifically, the Postal Service proposes assigning country groups for Priority Mail Express International (PMEI) service to Cuba. *Id.* Pursuant to 39 C.F.R. § 3020.91, the Commission established this docket, posted the Notice on its website, appointed the undersigned Public Representative, and provided interested persons an opportunity to comment.<sup>2</sup>

The Public Representative has reviewed the Notice, the proposed MCS changes, applicable statutory and regulatory provisions, and Commission precedent. Based on this review, the Public Representative concludes that the proposed MCS changes are "minor corrections" that comply with 39 C.F.R. § 3020.90. The Public Representative recommends that the Commission approve the proposed change.

<sup>&</sup>lt;sup>1</sup> Notice of United States Postal Service of Minor Classification Change, July 27, 2016 (Notice).

<sup>&</sup>lt;sup>2</sup> Notice and Order Concerning Minor Classification Change of the Country Price Lists for International Mail, July 28, 2016 (Order No. 3451).

### II. DISCUSSION

## A. THE PROPOSED CHANGES ARE "MINOR CORRECTIONS."

The Postal Service may revise product descriptions in the MCS by filing a request under 39 C.F.R. part 3020, subpart E.<sup>3</sup> Subpart E establishes separate procedures for requests to make "material changes" and "minor corrections" to the MCS. The threshold issue in this case is whether the proposed MCS changes—assigning country groups for PMEI service to Cuba—are "material changes" or "minor corrections." The Commission explained that when determining whether a proposed change is material, "the most important consideration is the degree to which the proposed alteration affects the characteristics of the product." Other factors include "whether the proposed change would significantly change the user experience for the product, and whether it would significantly impact competitors offering a similar service."<sup>5</sup>

The Postal Service argues that the proposed changes are minor because they "merely assign[] country groups for the existing PMEI service for a new country destination." Notice at 2. It notes that the proposed changes will not affect the product descriptions or country group rates. *Id.* The Postal Service asserts that the Commission has approved similar changes affecting country group assignments as minor classification changes. *Id.* 

The Public Representative agrees that the proposed changes are "minor corrections" under 39 C.F.R. part 3020, subpart E. Approving the proposed changes will not affect the characteristics of the PMEI product. Product descriptions and country group rates will not change. Approving the proposed changes will not significantly impact the mail user's experience for the PMEI product. Mail users will benefit by having another option for

<sup>&</sup>lt;sup>3</sup> If the proposed changes modify the market-dominant or competitive product list, the Postal Service must file a request under 39 C.F.R. part 3020, subpart B.

<sup>&</sup>lt;sup>4</sup> Docket No. RM2015-6, Notice of Proposed Rulemaking on Changes and Corrections to the Mail Classification Schedule, November 14, 2014, at 14 (Order No. 2250); see Docket No. RM2015-6, Order Adopting Final Rules on Changes and Corrections to the Mail Classification Schedule, June 16, 2015 (Order No. 2543).

<sup>&</sup>lt;sup>5</sup> Docket No. MC2016-10, Order Approving Minor Classification Changes, November 9, 2015, at 4 (Order No. 2808) (*citing* Order No. 2250 at 10).

expedited delivery to Cuba. The record contains no evidence that the proposed changes will "significantly impact competitors offering a similar service." See Order No. 2808 at 4.

Commission precedent also supports treating the proposed changes as "minor corrections." The Commission has evaluated similar proposals to change the Country Price Lists for International Mail in Part D of the MCS. For example, in Docket No. MC2016-10, the Commission evaluated three proposed changes to create a new country listing, revise a country rate group, and rename a country. See Order No. 2808. The Commission found that these changes were not material. *Id.* at 4-5. This finding is consistent with the cases the Postal Service cites in the Notice. See Notice at 2, n.3.

# B. THE POSTAL SERVICE COMPLIED WITH 39 C.F.R. § 3020.90.

As previously discussed, the proposed changes are "minor corrections" under 39 C.F.R. part 3020, subpart E. The Postal Service must submit "minor corrections" to MCS product descriptions by filing a notice with the Commission no later than 15 days before the proposed corrections become effective. *Id.* § 3020.90(b). This notice must explain why the proposed corrections "do not constitute material changes to the product description for purposes of § 3020.80" and are consistent with any applicable provisions of title 39. *Id.* § 3020.90(c)(1) and (2). The Notice must also include a copy of applicable MCS sections and proposed corrections in legislative format. *Id.* § 3020.90(c)(3).

The Postal Service complied with 39 C.F.R. § 3020.90. The proposed changes ensure that MCS product descriptions accurately represent the Postal Service's current offerings. *Id.* § 3020.90(a). The Postal Service filed the Notice on July 27, 2016, more than 15 days before the proposed corrections become effective August 28, 2016. *Id.* § 3020.90(b); see Notice at 1. It adequately explains why the proposed changes are not material for purposes of section 3020.80. 39 C.F.R. § 3020.90(c)(1); see Notice at 2-3. It confirms that the proposed changes are consistent with applicable provisions of title 39. 39 C.F.R. § 3020.90(c)(2); see Notice at 3. The Notice includes a copy of the proposed MCS changes in legislative format as required by 39 C.F.R. § 3020.90(c)(3). *See* Notice, Attachment 2.

# III. RECOMMENDATION

After evaluating the proposed changes, the Commission must take one of the actions identified in 39 C.F.R. § 3020.92. The Public Representative recommends that the Commission approve the proposed changes and revise the MCS to coincide with the effective date of August 28, 2016. *See id.* § 3020.92(b).

The Public Representative respectfully submits these comments for the Commission to consider.

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